

Stow Bardolph Parish Council Reserves Policy

Purpose

The Council is required to maintain adequate financial reserves to meet foreseeable needs and commitments, and also to have money available in the event of an emergency.

General Reserve

The use of this is not restricted. It can be used to cope with the impact of uneven cash flows, offset the budget requirement, or can be used to cope with unexpected events or emergencies.

It is intended to maintain the General Reserve at a level equivalent to nine months expenditure from the previous year, but at all times there should be sufficient to cover staff salaries for nine months.

If the balance is drawn down, replenishment will be provided for in the next annual budget. If the General Reserve is exhausted due to extreme circumstances, the Council may make emergency borrowings from Earmarked Reserves, which will be replaced in the next annual budget.

Earmarked Reserves

These are to be set up to meet known or predicted liabilities, for example:

- Election costs
- Replacing street furniture
- Repairs of equipment
- Risks not covered by insurance

Procedure

Any decision to set up a reserve must be made by the Council. Expenditure from reserves can only be authorised by the Council. The reserves will be reviewed by the Council as part of the annual budgeting process. The Responsible Financial Officer will maintain a detailed schedule of all reserves which will form part of the accounts package.

Appendix 1

Stow Bardolph Parish Council has considered the need for reserves for the financial year 2023-24 and has agreed to hold the following funds:

Type of reserve	Reason/planned use	Amount
General	To cope with uneven cashflow e.g. to cover payments at the start of the financial year, before the Precept has been received	3000.00
General	To cover staff salaries for up to nine months	4000.00
General	To cover any other unexpected event or emergencies	2000.00
Earmarked	Repairs to equipment	1500.00
Earmarked	Replacement of street furniture	1500.00
Earmarked	Election costs	2000.00
TOTAL		£14,000

Any further earmarked reserves identified before the year end will be shown in the end of year accounts.